

VZCZCXRO8896
PP RUEHDE
DE RUEHJI #0625/01 2681240
ZNY CCCCC ZZH
P 251240Z SEP 06
FM AMCONSUL JEDDAH
TO RUEHC/SECSTATE WASHDC PRIORITY 9535
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEHLO/AMEMBASSY LONDON PRIORITY 1538
RUEHFR/AMEMBASSY PARIS PRIORITY 1617
RUEHRH/AMEMBASSY RIYADH PRIORITY 6852
RHEHAAA/NSC WASHDC PRIORITY
RUEKJCS/DIA WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 JEDDAH 000625

SIPDIS

SIPDIS

RIYADH, PLEASE PASS TO DHAHRAN; DEPARTMENT FOR NEA/ARP;
PARIS FOR WALLER; LONDON FOR TSOU

E.O. 12958: DECL: 09/25/2016

TAGS: [PGOV](#) [PREL](#) [PHUM](#) [PINR](#) [SA](#) [ECON](#) [KISL](#)

SUBJECT: YOUNG PRESIDENTS SPEAK THEIR MINDS TO AMBASSADOR

Classified By: Ambassador James C. Oberwetter, for
reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: The Ambassador met with several members of the Saudi chapter of the Young President's Organization (YPO) on August 20. The group said Israel's actions in Lebanon were disproportionate, and claimed there is growing anti-US sentiment in the Kingdom and increasing fears of Iran. They expressed concern about education, Shi'a discrimination, and the economy, particularly employment, reforms, modernization, taxes, and education. The group believes that the U.S. scholarship program is the single most important development for the modernization of Saudi Arabia. END SUMMARY.

¶2. (C) A group from the Saudi Arabian chapter of the Young Presidents' Organization (YPO) sponsored a luncheon for Ambassador Oberwetter on August 20. Participants represented a diverse array of business interests, including banking, bakeries and foodstuffs, construction, auto parts, and diversified industries. The immediate past president of the Saudi chapter of the YPO, Hassan I. Alkabbani, hosted the luncheon.

LEBANON CRISIS

¶3. (C) Lebanon was arguably the most heated topic of discussion. All of the Saudis present agreed that, from the Arab perspective, Israel's actions in Lebanon were disproportionate in the extreme and strongly affected Arab public opinion. The YPO members commented that U.S. inactivity in the first weeks of the Lebanon incursion had damaged American prestige in the Arab world and suggested that all Arabs, even those with pro-American dispositions, found America's behavior "deeply disappointing."

PERCEPTION OF HIZBALLAH IN THE KINGDOM

¶4. (C) One guest observed that, even though Saudis are not in sympathy with Hizballah, all Arabs feel a certain satisfaction or pride in Hizballah's performance. Nevertheless, they expressed concern that Hizballah was being very foolish by showing tunnels hidden in private residences in the media. They felt that those actions only served to support the

Israeli argument that houses had to be destroyed because they concealed military targets.

PERSPECTIVE ON IRAN

15. (C) Very troubling to the YPO members was growing publicity regarding Iran in the aftermath of the Lebanon crisis. Although their remarks were circumspect, it was clear that all of them feel that Iran's prestige and power were enhanced by this crisis and there was obvious fear that Ahmadinejad would be emboldened to exert Iran's influence in other Middle Eastern "hot spots."

SHI'A IN SAUDI ARABIA

16. (C) The members admitted the rampant discrimination of Shi'a in the Kingdom. All agreed that this behavior is dangerous for the future of the country. Alkabbani related that, at a past meeting of the Saudi chapter of the YPO, they had invited a Shi'a scholar to speak about the differences between Sunni and Shi'a. He admitted that they were surprised by how little doctrinal difference actually existed between the two sects -- despite deeply embedded racial and social distinctions.

SAUDI ECONOMY

17. (C) Saudi Arabia's accession to the WTO was an encouraging event, said participants, in that it assures that Saudi Arabia will adhere to prevailing international business standards. On the other hand, they were openly contemptuous of the SAG's Saudization

JEDDAH 00000625 002 OF 003

policy. They said that Saudis lack the education and experience to fill most modern jobs. One asserted that many of the foreign workers will work for so little money that a Saudi simply can not compete. There was also consensus that unemployment for youth remains a big problem and is a potential threat to the Kingdom's stability. They empathized with the youths who emerge with a degree which, even if it represents a practical education, will afford few opportunities. The Ambassador concurred and reminded them that, historically, small and medium sized businesses are the prime creator of employment, recommending that they and the Government make every effort to promote such enterprises.

18. (C) The members agreed that King Abdullah's reform agenda is positive, but cautioned that a significant portion of the population will not accept large reforms in the Kingdom. One criticism was that King Abdullah's economic reforms do not amount to a coherent development plan for the Kingdom. The Government has announced many large projects as part of a major infrastructure development program for the Kingdom. Large sums are being invested in projects such as the multi-billion Saudi Riyal (SR) Jeddah Redevelopment Plan, King Abdullah Economic City, Jubail, Yanbu, and a number of new universities. However, they said, it is not enough, "to recreate Dubai" in various places in Arabia.

SAUDI EDUCATION

19. (C) The members criticized the textbooks and curriculum in the Saudi education system. One speaker referred to the widespread criticism by foreigners of Saudi textbooks, noting that textbooks are improving, but that most teachers know "absolutely nothing" because they are educated in religion and little else. As an example, he cited the history curriculum, which is limited to Islamic history and the founding of

Saudi Arabia. "How," he protested, "can you understand the world when all you have been taught is Islamic history and the founding of Saudi Arabia?" For this reason, they all commented that the U.S. scholarship program is the single most important development for the long-term modernization of the nation. Only through such experience, they feel, can Saudis cultivate the knowledge and tolerance to fully integrate into the international community.

¶10. (C) The Saudis were all impressed when the Ambassador told them the number of scholarship students that had been processed in the past year for study in the United States exceeded 13,000. They were equally pleased to learn that the scholarship program is being accelerated and that more students are preparing for scholarships in the U.S., Europe, and Australia this coming year.

JUDICIAL SYSTEM

¶11. (C) The Saudi judicial system, or rather lack thereof, was clearly identified as a barrier to progress and interaction with the rest of the world. One businessman complained about the incompetence of judges. "They are trained in religion, not law," he contended. Additionally, they appeared to be frustrated with the lack of formal procedures in the courtroom. Another critic contended that a major problem is that judges do not recognize the authority of

Precedents, saying that they all revert back to basic Islamic principles to make a decision. Another suggested that cases were often decided on the personal preference or whim of a judge, rather than based on well-defined rules of law. He also insinuated that gifts or influence could affect a ruling.

MUNICIPAL COUNCILS

¶12. (C) In response to the Ambassador's inquiry, one of the businessmen said that the local council, partially elected with much fanfare last year, was

JEDDAH 00000625 003 OF 003

meeting, but he dismissed its success. "It doesn't do anything and has no power," he said. Another of the participants observed that he would like to see a free election for the mayor and that the office should be reconstituted on the lines of the "strong mayor" model employed in some American cities.

¶13. (C) One member also said that he would willingly pay taxes to the municipality if it could reliably provide municipal services, such as water, sewer, traffic control, police, and fire protection. (Note: At present, Saudis pay no taxes and most municipal services that are not free are provided at heavily subsidized rates. The director of the Jeddah Governorate water agency recently said that Saudi water was subsidized to the point that a tanker-truck of potable water cost approximately SR 25, c. USD 6.67. End

(NOTE.) Another interjected that Saudi businessmen, such as themselves, would support taxes for those services they wanted but would not support general taxes because "it isn't in our interest."

¶14. (C) COMMENT: The Young Presidents represent Saudi Arabia's westernized business elite. Most are scions of prominent merchant families - few are self-made men and all speak English. Their comments reflect what we have heard from other interlocutors, as well as some of the criticisms that are

appearing in the Saudi press. This discussion is further evidence of the desire among liberals for the kinds of initiatives currently being undertaken or explored by the SAG, i.e., the establishment of exchange and scholarship programs, as well as judicial and educational reform. Additionally, the comments made by this group of young Saudis support the importance of bilateral efforts such as the Strategic Dialogue, which are aimed at these types of reforms. END COMMENT.

OBERWETTER

TONEY